

PART II: Maximum Charges

§3519. Consumer loans

A. The maximum loan finance charge for any consumer loan other than one made with a lender credit card that may be charged, contracted for or received by a licensed lender or supervised financial organization may equal but not exceed:

(a) Thirty-six percent per year for that portion of the unpaid principal amount of the loan not exceeding one thousand four hundred dollars;

(b) Twenty-seven percent per year for that portion of the unpaid principal amount of the loan exceeding one thousand four hundred dollars and not exceeding four thousand dollars;

(c) Twenty-four percent per year for that portion of the unpaid principal amount on the loan exceeding four thousand dollars and not exceeding seven thousand dollars; and

(d) Twenty-one percent per year for that portion of the unpaid principal amount of the loan exceeding seven thousand dollars.

B. This Section does not limit or restrict the manner of contracting for loan finance charges under a consumer loan, whether by way of precomputed interest, simple interest, or otherwise, so long as the annualized loan finance charge rate computed on an actuarial or U.S. Rule basis over the entire scheduled term of the transaction, assuming that all payments will be made when due and disregarding the possible effects of early prepayment or acceleration of maturity, does not exceed the maximum rates permitted in this Chapter. Demand loans shall have presumed term of five years.

C. For the purposes of this section, the term of a loan commences with the date the loan is made. Differences in the lengths of months are disregarded and a day may be counted as one-thirtieth of a month. Subject to classifications and differentiations the lender may reasonably establish, a part of a month in excess of fifteen days may be treated as a full month if periods of fifteen days or less are disregarded and if that procedure is not consistently used to obtain a greater yield than would otherwise be permitted.

D. With respect to a consumer loan made pursuant to a revolving loan account

(1) the loan finance charge shall be deemed not to exceed the maximum annual rates if the loan finance charge contracted for and received does not exceed a charge in each monthly billing cycle which is one-twelfth of the maximum annual rates computed on an amount no greater than

(a) the average daily balance of the debt;

(b) the unpaid balance of the debt on the 1st day of the billing cycle, or,

(c) the median amount within a specified range within which the average daily balance or the unpaid balance of the debt, on the first day of the billing cycle, is included; for the purposes of this subparagraph and subparagraph (b), a variation of not more than four days from month to month is “the first day of the billing cycle”;

(2) if the billing cycle is not monthly, the loan finance charge shall be deemed not to exceed the maximum annual rates if the loan finance charge contracted for and received does not exceed a percentage which bears the same relation to the maximum annual rates as the number of days in the billing cycle bears to 360.

E. Notwithstanding any provision of Subsection A the extender of credit may contract for and receive a minimum loan finance charge of not more than fifteen dollars when the amount advanced does not exceed two hundred dollars or twenty-five dollars when the amount advanced exceeds two hundred dollars; such charge shall be in lieu of all other finance charges.

§3520. Consumer credit sale

A. Except as otherwise provided by R.S. 9:3521, the maximum credit service charge for any consumer credit sale other than one made pursuant to a revolving charge account, may not exceed the equivalent of the greater of any of the following:

(1) the total of

(a) twenty-four percent per year on that part of the unpaid balances of the amount deferred which is not in excess of \$1,750.00; and

(b) eighteen percent per year on that part of the unpaid balances of the amount deferred which is more than \$1,750.00 and not exceeding \$5,000.00;

(c) twelve percent per year on that part of the unpaid balance of the amount deferred which is more than \$5,000.00; or

(2) eighteen percent per year on the unpaid balances of the amount deferred; or

(3) any other method of computation which would not yield a greater credit service charge than (1) or (2) of this section.

B. Notwithstanding Subsection A, the seller may contract for and receive a minimum credit service charge of not more than five dollars when the amount deferred does not exceed seventy-five dollars, or seven dollars and fifty cents when the amount deferred exceeds seventy-five dollars.

C. This Section does not limit or restrict the manner of contracting for credit service charges under a consumer credit sale, whether by way of precomputed interest, simple interest, or otherwise, so long as the annualized credit service charge rate computed on an actuarial or U.S. Rule basis over the entire scheduled term of the transaction, assuming that all payments will be made when due and disregarding the possible effects of early prepayment or acceleration of maturity, does not exceed the maximum rates permitted in this Chapter.

D. It shall be unlawful for a seller to charge a consumer a fee for sending an initial billing statement; however, the seller may charge a fee for any additional billing statement sent at the request of the consumer.

§3521. Maximum charges after negotiations

A. The obligation arising out of any consumer credit sale, including a revolving charge account, may be evidenced by a written agreement which may provide for a credit service charge not in excess of the maximum loan finance charge which could be charged, contracted for, or received by a supervised financial organization, lender who files notification pursuant to R.S. 9:3564, or licensed lender in a consumer loan transaction where the principal is the same as the amount financed and the term is a corresponding term.

B. Such written agreement must be transferred or assigned to a supervised financial organization, lender who files notification pursuant to R.S. 9:3564, or a licensed lender within thirty-five days from the date of making. If such written agreement is not so transferred or assigned within the said time limit the seller or holder shall:

(1) Notify the maker that the written agreement was not transferred or assigned.

(2) Credit the obligation with any amounts contracted for in excess of the credit service charge authorized by R.S. 9:3520 and 9:3521. Such computation shall be made as of the date of making and the debtor shall be notified of such credit.

(3) Provide the debtor, prior to the first installment due date, with a new payment schedule reflecting the change in terms.

(4) Notify the debtor of the address where payments are to be made if such address is different from the address previously given to the debtor.

§3522. Maximum charges after maturity

In the case of a precomputed consumer credit transaction which is unpaid at contractual maturity, the rate of the loan finance charge or the credit service charge for the period beginning as of contractual maturity until payment in full may not exceed the rate of the loan finance charge or the credit service charge previously agreed to by the extender of credit and the debtor at the time the consumer credit transaction was entered into. Provided however, beginning one year after contractual maturity, the rate shall not exceed 18% per annum.

§3523. Credit service charge for revolving charge accounts

On a revolving charge account, the extender of credit, issuer of a seller credit card honored by the extender of credit, or their assignee, may charge and collect a credit service charge in each billing period at a rate

(1) not in excess of one and one-half percent per month computed on (a) the average daily balance of the account or (b) the balance of the account on the first day of each billing period without regard to transactions affecting the account during the billing period; provided, however, that a minimum credit service charge not in excess of fifty cents per month may be charged and collected; and provided further that no credit service charge shall be charged unless the bill is mailed no later than ten days (Saturdays, Sundays and legal holidays excluded) after the billing date stated on the bill; or

(2) any other method of computation which would not yield a greater credit service charge than subsection (1) of this section.

§3524. Loan finance charge on lender credit card accounts

A. (1) On a revolving loan account made with a lender credit card, an extender of credit or an assignee or a transferee thereof may receive or contract to receive and collect a loan finance charge in an amount not in excess of one and one-half percent per month computed in accordance with the following:

(a) For the period ending December 31, 1974, on either:

(i) The average daily unpaid balance of the principal of the debt during the billing period; or
(ii) The balance of the account on the first day of each billing period without regard to transactions affecting the account during the billing period.

(b) Commencing January 1, 1975 and thereafter:

(i) On the average daily unpaid balance of the principal of the debt during the billing period;
or

(ii) Any method of loan finance charge computation which may produce yield not in excess of the average daily balance method of loan finance charge calculation as provided for in (1)(b)(i) above.

(2) For purposes of the foregoing computation, a month shall be deemed as any time of thirty consecutive days, or alternatively, any calendar month.

(3) An extender of credit may impose such a loan finance charge from the date that goods, property, or services are purchased or cash advances are obtained under a lender credit card plan; however, an extender of credit may not impose or collect a loan finance charge on goods, property, or services purchased under a lender credit card plan for the first twenty-five days of any billing cycle when the borrowing consumer pays the entire billed balance of his account within said initial twenty-five day period.

B. Repealed by Acts 1988, No. 629, Sec. 2.

C. If the billing period is more frequent than monthly, the maximum loan finance charge for such billing period shall be the percentage which bears the same relation to the monthly percentage provided for in Subsection A of this section as the number of days in the billing period bears to thirty.

D. In addition to the loan finance charge provided for in Subsection A of this section, extenders of credit under a lender credit card plan may lawfully receive, contract for and collect a fee for the privilege of receiving cash advances under such a lender credit card plan. The fee shall not exceed four percent of the amount of the cash advance.

E. Where an account has the attributes of both a revolving loan account and a lender credit card account, the creditor may elect to treat such an account as either a revolving loan account subject to R.S. 9:3519(D), or as a lender credit card account subject to this Section. Examples of such accounts include, without limitation:

(1) Overdraft lines of credit that may be accessed by use of an automated teller machine.

(2) An independent line of credit issued by a supervised financial organization in conjunction with a travel and entertainment credit card account offered by a third party creditor.

§3525. Leap years

The effects of a leap year may be disregarded for purposes of determining whether the annualized loan finance charge rate or credit service rate under a consumer credit transaction exceeds the maximum rate limitations provided in this Part.

§3526. Variable rates

A. Licensed lenders and supervised financial organizations may enter into variable rate consumer credit transactions under this Chapter in the manner provided under R.S. 6:242(A)(2) and regulations issued by the commissioner.

B. Licensed lenders and supervised financial organizations may also enter into graduated payment mortgage loans and adjustable rate mortgage loans under this Chapter in the manner provided under R.S. 9:3504(C) and 3504(D), respectively.

§3527. Maximum delinquency charges; notice of conversion

A. The parties to a consumer credit transaction may contract for the payment of a delinquency charge on any installment or other regular payment not paid in full within ten days after its scheduled or deferred due date in either one of the following amounts:

(1) Five percent of the unpaid amount of the delinquent installment or ten dollars-, whichever is greater.

(2) The deferral charge that would be permitted to defer the unpaid amount of the installment or other regular payment for the period that it is delinquent.

B. The parties to a revolving loan account or lender credit card account may contract for the payment of a delinquency charge not to exceed fifteen dollars on any regularly scheduled payment not paid in full within ten days of the payment due date.

C.(1) A delinquency charge may be collected only once on an installment or other payment however long it remains delinquent. No such delinquency charge may be collected if the installment or other payment has been deferred and a deferral charge has been paid or incurred, provided that the deferred payment is paid within ten days of its deferred date. Such a delinquency charge may be collected at the time it accrues or at any time thereafter.

(2) No such delinquency charge may be collected on an installment or other regular payment that is paid in full within ten days after its scheduled due date even though an earlier maturing installment, other payment, or delinquency charge on an earlier installment or other payment may not have been paid in full. For purposes of determining delinquency, payments are deemed to be applied first to current installments or other payments due and then to delinquent installments or other payments and then to delinquent and other charges.

~~(2)~~ (3) An extender of credit is prohibited from levying or collecting any delinquency charge on a payment when the only delinquency is attributable to late fees or delinquency charges

assessed on earlier installments, and the payment is otherwise a full payment for the applicable period and is paid on its due date or within an applicable grace period.

~~(3)~~ (4) Nothing in this Subsection shall be construed to prohibit the extender of credit from assessing and collecting a finance charge on any delinquency or deferral charges not paid when due. Such finance charges shall not exceed the contract rate charged on the consumer transaction.

D. If two installments or other regular payments or parts thereof of a precomputed consumer credit transaction are in default for ten days or more, the extender of credit may, upon first giving the consumer written notice, elect to convert the precomputed consumer credit transaction into a simple interest transaction. The notice must state the exact date on which the conversion will occur, the interest rate to be charged under the simple interest transaction, the balance due on the loan at the time of the conversion, and whether or not there will be a balloon payment. In this event he shall make a rebate pursuant to the provisions on rebate upon prepayment as of the maturity date of a delinquent installment or other regular payment, and thereafter may make a loan finance charge or credit service charge as authorized by this Part. The amount of the rebate shall not be reduced by the amount of any minimum loan finance charge or minimum credit service charge as provided in R.S. 9:3519(E) and 3520(B); however, the extender of credit may deduct a prepayment charge as provided in R.S. 9:3532.

E. A creditor may contractually reserve the right to prospectively increase the simple interest rate under a consumer loan transaction upon or at any time following the borrower's default. However, such a default interest rate shall not exceed the loan finance charge rate or rates authorized under R.S. 9:3519(A).

§3528. Maximum deferral charges

A.(1) With respect to a precomputed consumer credit transaction payable in more than one installment, the parties before or after default may agree in writing to a deferral of all or part of one or more unpaid installments, and the extender of credit may make and collect a charge not exceeding the rate previously stated to the consumer calculated without regard to differences in the lengths of months, but proportionately for a part of a month, counting each day as one-thirtieth of a month. A deferral charge may be collected at the time it is assessed or at any time thereafter. Deferral charges on a precomputed consumer credit transaction may be computed on a pro rata basis or any other method of calculation that does not yield a greater sum than the maximum rates permitted in this Chapter.

(2) In lieu of a deferral charge, the entire unpaid balance of the transaction may be deferred by charging an amount equal to the rate previously stated to the consumer times the balance at the time of deferral for the period of deferral. In such a case, the transaction maturity date will be extended by the number of months that the balance is deferred.

B. The parties may agree in writing at the time of a precomputed consumer credit transaction that if an installment is not paid within ten days after its due date, the extender of credit may unilaterally grant a deferral and make charges as provided in this Section, provided the transaction consists of more than one installment. No deferral charge may be made for a period after the date that the extender of credit elects to accelerate the maturity of the agreement. A delinquency charge made by the extender of credit on an installment may not be retained if a deferral charge is made pursuant to this Section with respect to the period of delinquency.

C. In addition to the lawful rate of loan finance charges that may be assessed on the outstanding balance of a simple interest consumer credit transaction, the parties may before or after default agree in writing to a deferral of all or part of one or more unpaid installments, and the extender of credit may make and collect an additional deferral charge in an amount not to exceed twenty-five dollars. This deferral charge may be collected at the time it is assessed or at any time thereafter. Whether accrued interest is designated as "loan finance charges" or "interest to date", payment of interest shall not constitute payment of a deferral charge.

D. The extender of credit, in addition to the deferral charge, may make appropriate charges for insurance for the extended period and the amount of these charges which is not paid in cash may be added to the amount for the purpose of calculating the deferral charge.

§3529. Installment of consumer credit transaction paid by N.S.F. check; additional charge to account

The parties in a consumer credit transaction may contract for an additional charge to be assessed against the consumer's account if the consumer tenders a check or makes an electronic debit in payment on such account and such check or electronic debit is returned from any bank, savings and loan association, thrift institution, or credit union or any other organization or institution authorized by the state of Louisiana or the United States to issue checks, drafts, or similar negotiable instruments or payments by electronic means, due to insufficient credit or funds in the account for payment of such check or electronic payment in full upon its presentation. The additional charge shall not exceed twenty-five dollars or five percent of the amount of the check or electronic payment, whichever is greater. Such charge shall be in addition to any delinquency charge assessed under the provisions of R.S. 9:3527.

§3530. Fees; origination; notary, documentation; over-the-credit-limit fee

A. (1) A lender may charge an origination fee that does not exceed twenty-five dollars on a consumer loan or revolving loan account.

(2) The origination fee may be charged only once in connection with a single loan to one borrower over any consecutive thirty-day period, regardless of the number of renewals or refinances during the same thirty-day period. An origination fee may be charged on any new loan made during a prior loan's consecutive thirty-day period provided the new loan is not a renewal, refinance, or rollover of the prior loan. When a loan is paid in full, an origination fee may be charged on any subsequent new loan without regard to the prior loan's consecutive thirty-day period.

(3) Notwithstanding any other law to the contrary, an origination fee shall not be considered a loan finance charge and shall not be subject to refund upon prepayment or acceleration of maturity.

B. Non-real estate related notary fees assessed in connection with consumer credit transactions subject to this Chapter are limited to a maximum of fifteen dollars.

C. (1) A lender may charge a documentation fee as reimbursement for actual costs incurred, not to exceed five dollars, in connection with a non-real estate consumer loan transaction.

(2) Notwithstanding any other law to the contrary, a documentation fee shall not be

considered as interest nor shall it be included in the calculation of interest.

(3) An insurance premium finance company may not charge a documentation fee under this Subsection.

(4) In lieu of the documentation fee provided in Paragraph (1) of this Subsection, a lender may charge a documentation fee ~~as reimbursement for actual costs incurred~~, not to exceed twenty dollars, in connection with any non-real estate consumer loan not subject to R.S. 9:3578.1 through 3578.8.

D. A lender upon entering into a revolving loan or lender credit card account that is secured by a collateral mortgage or equivalent security interest on immovable (real) property, may assess an origination fee in an amount not to exceed two percent of the consumer's established credit limit. Such origination fees may be assessed in addition to permissible loan finance charges and are not subject to rebate upon cancellation or termination of the consumer's account.

E.(1) A lender may contract for and receive reasonable over-the-credit-limit fees in connection with revolving loan, lender credit card, revolving charge and seller credit card accounts that are payable whenever the consumer exceeds the credit limit established for the account.

(2) A lender shall cease the assessment of over-the-credit-limit fees in connection with lender credit card and seller credit card accounts upon termination of the contract.

F.(1) A lender may charge the consumer the convenience fee authorized by R.S. 47:532.1(C) for services performed by a public license tag agent. Such fee shall not be charged to the consumer more than once.

(2) Notwithstanding any other law to the contrary, the convenience fee authorized by R.S. 47:532.1(C) shall not be considered as interest, nor shall it be included in the calculation of interest.